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Financing of the United Nations peacekeeping forces in the Middle East: United Nations Disengagement Observer Force

Financial performance report of the United Nations peacekeeping forces in the Middle East: United Nations Disengagement Observer Force

Report of the Secretary-General

Summary

The present report contains the financial performance report of the United Nations Disengagement Observer Force (UNDOF) for the period from 1 July 1999 to 30 June 2000. The General Assembly, by its resolution 53/226 of 8 June 1999, appropriated an amount of $35,351,308 gross ($34,618,408 net) for the same period.

Expenditures for the period totalled $35,026,400 gross ($34,320,700 net), resulting in an unencumbered balance of $324,900 gross ($297,700 net).

The unencumbered balance resulted mainly from a lower actual troop strength than authorized, more favourable rates obtained for the hiring of aircraft used for the rotation of military personnel, civilian vacancies, deferment of a construction project and favourable unit cost rates obtained for the purchase of vehicles under the systems contract. The unencumbered balance was partially offset by the additional requirements arising from payments made to settle troop-contributing Governments' claims for injury, disability or illness of their contingent members resulting from service with UNDOF during past financial periods.

The action to be taken by the General Assembly in connection with the financing of the Force is a decision on the treatment of the unencumbered balance of $324,900 gross ($297,700 net) for the period from 1 July 1999 to 30 June 2000.

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I. Introduction

1. The United Nations Disengagement Observer Force (UNDOF) was established for an initial period of six months by the Security Council in its resolution 350 (1974) of 31 May 1974. The mandate of the Force has subsequently been extended by the Council in various resolutions, the latest of which was resolution 1328 (2000) of 27 November 2000, by which the mandate of the Force was extended until 31 May 2001.

2. The budget for the maintenance of UNDOF for the period from 1 July 1999 to 30 June 2000 was set out in the report of the Secretary-General dated 29 January 1999 (A/53/779/Add.1) and amounted to $33,247,500 gross ($32,514,600 net).

3. On the recommendation of the Advisory Committee on Administrative and Budgetary Questions (see A/53/895/Add.1, para. 21), the General Assembly, by its resolution 53/226 of 30 June 1999, appropriated an amount of $35,351,308 gross ($34,618,408 net) for the maintenance of UNDOF for the period from 1 July 1999 to 30 June 2000, inclusive of $1,758,908 for the support account for peacekeeping operations and $344,900 for the United Nations Logistics Base at Brindisi, Italy. That amount has been assessed on Member States.

II. Implementation of the budget

4. Information on the operations of UNDOF and the situation on the ground during the period under review is contained in the reports of the Secretary-General to the Security Council dated 15 November 1999 (S/1999/1175), 22 May 2000 (S/2000/459) and 17 November 2000 (S/2000/1103).

5. During the period covered by the present performance report, from 1 July 1999 to 30 June 2000, UNDOF continued with its mandate to maintain the ceasefire, to see that it is scrupulously observed and to supervise the Agreement and Protocol with regard to the areas of separation and limitation.

6. The savings realized were mainly as a result of a lower actual troop strength than authorized, more favourable rates for the hiring of aircraft used for the rotation of military personnel, lower than projected requirement under civilian staff salaries and common staff costs as a result of vacancy rates of 21 per cent experienced (compared with the 0 per cent vacancy rate budgeted) for the international staff, deferment of a construction project to the current 1 July 2000 to 30 June 2001 financial period and more favourable unit rates obtained for the purchase of vehicles under the systems contract. Such savings were utilized in large part to cover the cost of payments made to settle backlog claims from troop-contributing Governments for the members of their military contingent personnel for injury, disability or illness resulting from service with UNDOF; higher than budgeted requirements for the UNDOF share of satellite transponder lease and telephone bills payment under commercial communications; and higher requirements under local staff salaries, owing to retroactive payments that had to be made to 16 local staff in connection with the outcome of the post classification review exercise conducted in 1996.

7. With regard to the settlement of the backlog claims, some of them related to incidents that occurred as far back as 1975. In some of the cases, the backlog was owing to delayed submission of documented claims by troop-contributing

Governments. In other cases, it was due to delayed review and certification of claims submitted. Moreover, all old obligations retained for this purpose as authorized by the General Assembly have been fully utilized.

III. Financial performance report for the period from 1 July 1999 to 30 June 2000

8. As indicated in table 1 below, from the appropriation of $35,351,308 gross ($34,618,408 net) for the period from 1 July 1999 to 30 June 2000, expenditures amounted to $35,026,400 gross ($34,320,700 net), inclusive of $8,014,300 in unliquidated obligations. The resulting unencumbered balance of $324,900 gross ($297,700 net) represents, in gross terms, approximately 0.9 per cent of the amount appropriated. Annex I to the present report contains financial performance information for the reporting period by budget line item, with supplementary information on significant variances presented in annex II. Annex IV contains a chart showing apportionment and expenditures by main budget group.

Table 1
Apportionment and expenditure
(Thousands of United States dollars)

Category of expenditure	*Apportionment*	*Expenditure*[a]	*Variance*
Military personnel	18 781.5	19 410.2	(628.7)
Civilian personnel	5 010.3	4 929.5	80.8
Operational requirements	8 722.8	7 877.2	845.6
Other programmes	-	-	-
United Nations Logistics Base at Brindisi	344.9	344.9	-
Support account for peacekeeping operations	1 758.9	1 758.9	-
Staff assessment	732.9	705.7	27.2
Gross requirements	**35 351.3**	**35 026.4**	**324.9**
Income from staff assessment	(732.9)	(705.7)	(27.2)
Net requirements	**34 618.4**	**34 320.7**	**297.7**
Voluntary contributions in kind (budgeted)	-	-	-
Voluntary contributions in kind (non-budgeted)	-	-	-
Total resources	**34 618.4**	**34 320.7**	**297.7**

[a] Includes an amount of $8,014,300 in unliquidated obligations.

9. Information on the deployment of military contingent and civilian personnel during the reporting period is presented in table 2 below and detailed in annex III.

Table 2
Authorized staffing, incumbency and vacancy rates for military and civilian personnel for the period from 1 July 1999 to 30 June 2000

Personnel category	*Authorized strength*	*Actual strength (average)*	*Vacancy rate (percentage)*
Military observers	-	-	-
Military contingents	1 037	1 031	1
Civilian police	-	-	-
International staff	36	29	21
Local staff	87	84	3
United Nations volunteers	-	-	-

IV. Action to be taken by the General Assembly at its fifty-fifth session

10. **The action to be taken by the General Assembly in connection with the financing of UNDOF is a decision on the treatment of unencumbered balance of $324,900 gross ($297,700 net) for the period from 1 July 1999 to 30 June 2000.**

Annex I

Financial performance report for the period from 1 July 1999 to 30 June 2000: summary statement

(Thousands of United States dollars)

Category of expenditure	*(1)* *Apportionment* [a]	*(2)* *Non-recurrent expenditures*	*(3)* *Total expenditures (inclusive of non-recurrent expenditures)*	*(4) = (1 - 3)* *Variance*
I. Military personnel				
1. Military observers	-	-	-	-
2. Military contingents	18 350.8	-	18 077.5	273.3
3. Other requirements pertaining to military personnel				
(a) Contingent-owned equipment	130.7	-	130.7	-
(b) Self-sustainment	-	-	-	-
(c) Death and disability compensation	300.0	-	1 202.0	(902.0)
Subtotal, line 3	430.7	-	1 332.7	(902.0)
Total, category I	**18 781.5**	**-**	**19 410.2**	**(628.7)**
II. Civilian personnel				
1. Civilian police	-	-	-	-
2. International and local staff	5 010.3	-	4 929.5	80.8
3. United Nations Volunteers	-	-	-	-
4. Government-provided personnel	-	-	-	-
5. Civilian electoral observers	-	-	-	-
Total, category II	**5 010.3**	**-**	**4 929.5**	**80.8**
III. Operational requirements				
1. Premises/accommodations	1 492.9	210.0	1 240.1	252.8
2. Infrastructure repairs	-	-	-	-
3. Transport operations	4 025.7	1 809.2	3 605.5	420.2
4. Air operations	-	-	-	-
5. Naval operations	-	-	-	-
6. Communications	625.3	262.0	636.0	(10.7)
7. Other equipment	1 103.0	790.5	950.0	153.0
8. Supplies and services	1 315.9	-	1 333.5	(17.6)
9. Air and surface freight				
(a) Transport of contingent-owned equipment	-	-	-	-
(b) Commercial freight and cartage	160.0	-	112.1	47.9
Subtotal, line 9	160.0	-	112.1	47.9
Total, category III	**8 722.8**	**3 071.7**	**7 877.2**	**845.6**

Category of expenditure	*(1)* *Apportionment* [a]	*(2)* *Non-recurrent expenditures*	*(3)* *Total expenditures (inclusive of non-recurrent expenditures)*	*(4) = (1 - 3)* *Variance*
IV. Other programmes				
1. Election-related supplies and services	-	-	-	-
2. Public information programmes	-	-	-	-
3. Training programmes	-	-	-	-
4. Mine-clearing programmes	-	-	-	-
5. Assistance for disarmament and demobilization	-	-	-	-
Total, category IV	-	-	-	-
V. United Nations Logistics Base at Brindisi	**344.9**	-	**344.9**	-
VI. Support account for peacekeeping operations	**1 758.9**	-	**1 758.9**	-
VII. Staff assessment	**732.9**	-	**705.7**	27.2
Gross requirements, categories I-VII	35 351.3	3 071.7	35 026.4	324.9
VIII. Income from staff assessment	**(732.9)**	-	**(705.7)**	**(27.2)**
Net requirements, categories I-VIII	34 618.4	3 071.7	34 320.7	297.7
IX. Voluntary contributions in kind (budgeted)	-	-	-	-
X. Voluntary contributions in kind (non-budgeted)	-	-	-	-
Total	**34 618.4**	**3 071.7**	**34 320.7**	**297.7**

[a] Based on the appropriation provided under General Assembly resolution 53/226.

Annex II

Supplementary information on significant variances

Military personnel

Apportionment: $18,781,500; expenditure: $19,410,200; variance: ($628,700)

1. The shortfall under this heading was attributable to the additional costs incurred under other requirements pertaining to military personnel, which was partially offset by the unutilized balance under military contingents.

Military contingents

Apportionment: $18,350,800; expenditure: $18,077,500; variance: $273,300

2. The unutilized balance under this heading resulted from (a) a slightly lower actual average troop strength than budgeted during the period under review; (b) less need for travel by contingent personnel to pick up incoming shipments, as a result of an increased number of door-to-door delivery contracts entered into; and (c) favourable rates obtained for the hire/charter of aircraft used for rotation of military personnel. The savings were redeployed to cover additional death and disability payments (see para. 3 below).

Other requirements pertaining to military personnel

Apportionment: $430,700; expenditure: $1,332,700; variance: ($902,000)

3. The additional requirement under this heading was due mainly to the unbudgeted payments made for the settlement of the backlog of claims to troop-contributing Governments for injury, disability or illness of their contingent members resulting from service with UNDOF during the previous financial periods. In this connection, it is noted that the total amount paid during the period for death and disability claims was $1,202,000, and is all related to backlog claims (see sect. II, paras. 6 and 7 above). The additional requirements for this purpose were financed through redeployment of resources from other expenditure headings ($273,300 from military contingents; $80,800 from civilian personnel; $252,000 from premises/accommodation; $95,000 from transport operations; $153,000 from other equipment; and $47,900 from air and surface freight).

Civilian personnel

Apportionment: $5,010,300; expenditure: $4,929,500; variance: $80,800

4. The unencumbered balance under this heading was largely due to an overall vacancy rate of 20 per cent experienced for international staff (full incumbency had been assumed in the budget). This saving was offset in part by unbudgeted requirements under (a) local staff salaries as result of a retroactive payment made for the upgrading of local posts in 1996; and (b) additional travel of mission staff to the United Nations Logistics Base and to Cyprus for computer courses and management skills training. The savings were redeployed to cover additional death and disability payments (see para. 3 above).

Operational requirements

Apportionment: $8,722,800; expenditure: $7,877,200; variance: $845,600

5. The unutilized balance under this heading resulted from reduced requirements under premises/accommodations ($252,800), transport operations ($420,200), other equipment ($153,000) and, air and surface freight ($47,900), which were offset in part by additional requirements under communications ($10,700) and, supplies and services ($17,600).

Premises/accommodation

Apportionment: $1,492,900; expenditure: $1,240,100; variance: $252,800

6. The unutilized balance was largely due to deferment of a construction project for building a battalion's kitchen to the 2000/01 financial period, as well as lower than anticipated consumption of electricity in Camp Ziouani and Camp Faouar. The savings were redeployed to cover additional death and disability payments (see para. 3 above).

Transport operations

Apportionment: $4,025,700; expenditure: $3,605,500; variance: $420,200

7. The unutilized balance of $420,200 under this heading resulted largely from (a) favourable unit cost rates obtained for purchase of vehicles from the systems contract; (b) deferment of purchase of some workshop equipment; (c) lower cost under petroleum, oil and lubricants, owing to the use of diesel fuel instead of regular gasoline for some newly replaced light vehicles, and better prices negotiated for bulk deliveries of fuels through a new bidding process; and (d) a lesser number of vehicles actually insured and lower vehicle insurance premiums actually paid for primary pattern vehicles than budgeted during the reporting period. Part of the savings were redeployed to cover additional death and disability payments (see para. 3 above).

Communications

Apportionment: $625,300; expenditure: $636,000; variance: ($10,700)

8. The additional requirement was largely attributable to a higher than anticipated cost of the UNDOF share of the satellite transponder lease and commercial telephone bills during the period under review. This additional requirement was partially offset by the savings under spare parts and supplies as well as workshop and test equipment.

Other equipment

Apportionment: $1,103,000; expenditure: $950,000; variance: $153,000

9. The unutilized balance under this heading resulted mainly from the cancellation of the purchase of spare parts for maintenance, as well as accommodation equipment. This unutilized balance was in part offset by the additional requirement under office furniture as a result of unbudgeted purchase of

office furniture for new office space for the Electronic Data Processing Section, administrative officer, Camp Ziouani, and the Office of the Public Affairs officer. The savings were redeployed to cover additional death and disability payments (see para. 3 above).

Supplies and services

Apportionment: $1,315,900; expenditure: $1,333,500; variance: ($17,600)

10. The shortfall under this heading was owing to (a) additional requirements under contractual services arising from the charge of contractors budgeted under maintenance services and general temporary assistance to the contractual services line item; (b) non-budgeted requirement for the licensing/maintenance fees for Progen, Lotus Notes, Sun System, and First Newsfeed; and (c) losses sustained in the revaluation of currencies and exchange transactions resulting from payments made in other currencies. The shortfall was partially offset by the unutilized balance resulting from lower requirements under medical supplies, uniform items, flags and decals and quartermaster and general stores.

Air and surface freight

Apportionment: $160,000; expenditure: $112,100; variance: $47,900

11. Actual expenditures under this heading were lower than budgeted. The unutilized balance was redeployed to cover additional death and disability payments (see para. 3 above).

Staff assessment

Apportionment: $732,900, expenditure: $705,700; variance: $27,200

12. The unutilized balance was mainly owing to the overall vacancy rate of 20 per cent in respect of international staff, which exceeded the anticipated 0 per cent overall vacancy rate used in original cost estimates for international staff.

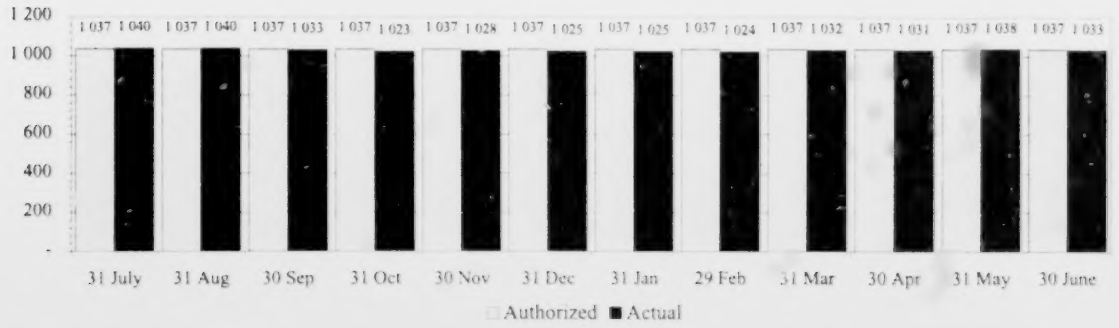
Income from staff assessment

13. This amount is derived from staff assessment (see para. 12 above).

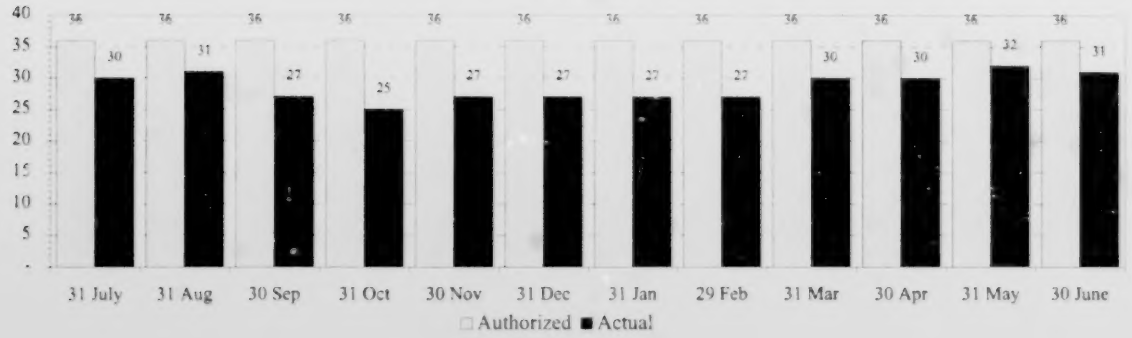
Annex III

Planned and actual deployment of military and civilian personnel for the period from 1 July 1999 to 30 June 2000

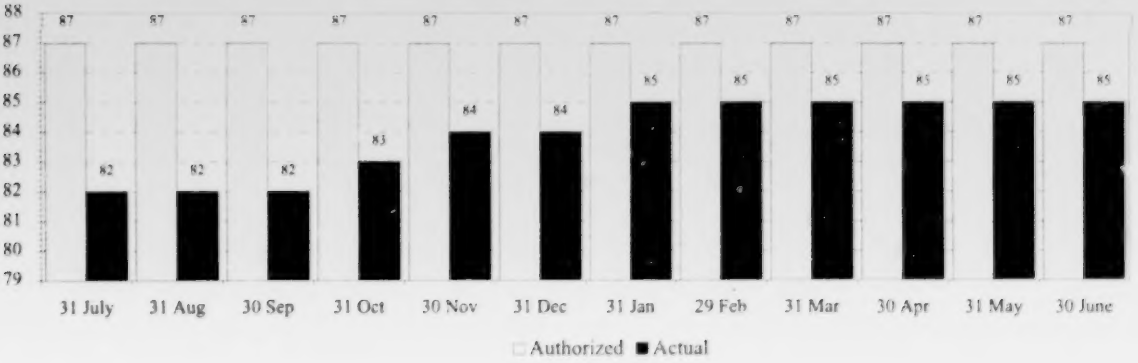
1. Military contingents



2. International staff



3. Local staff



Annex IV

Apportionment and expenditure for the period from 1 July 1999 to 30 June 2000